

We have maintained the policies on abortion. We have maintained the policies on Cuba. Any change of these would bring about a Presidential veto.

I hope that we can work out any differences we might have in conference, and that the bill would be one that the President of the United States can sign. Certainly in terms of meeting his fiscal requirements. We have more than met that challenge by being under his numbers.

I urge Members to look at this bill and weigh the importance of it when it comes time for final passage. I know we will have a number of amendments, and we will address those as we move along.

INTRODUCTION

First, I would like to congratulate Chairman SERRANO on being the pioneer Chairman of the newly created Financial Services and General Government Subcommittee. Chairman SERRANO has provided great leadership and a bipartisan, inclusive spirit while shepherding this bill through subcommittee and full committee. Additionally, my colleagues on the subcommittee have provided valuable input and guidance throughout the process.

Also, I would like to acknowledge the hard work, dedication and expertise of the subcommittee staff. On the majority side, Dale Oak, Bob Bonner, Karyn Kendall, Frank Carillo, Deb Bilek, Jim Curry and Nadine Berg on Chairman SERRANO's personal staff. On the minority side I would like to thank John Martens and Alice Hogans for their counsel in putting together this bill.

OVERVIEW

Mr. Chairman, I am pleased to present before the House today the fiscal year 2008 Financial Services and General Government Appropriations Bill. By taking into consideration the priorities of the President and the Members of the House, we have produced a bill that meets the needs of Americans, and the operations of our government while staying below the President's budget request. I appreciate the efforts of the leaders of the House, Chairman OBEY and Ranking Member LEWIS to provide a manageable allocation for this bill.

The Financial Services and General Government Appropriations Bill allocates \$21.4 billion in discretionary budget authority. This number is \$243 million below the Administration's request and \$2 billion above fiscal year 2007. I would like to repeat this to my colleagues who have voiced concerns over extra-neous spending in appropriations bills; this bill is \$243 million below the Administration's request, while still providing sufficient funds for various agencies to continue their missions and service.

The bill provides funding for a diverse number of agencies that affect the lives of all Americans. The agencies funded in this bill regulate the financial and telecommunications industries, collect taxes and provide taxpayer assistance, lend a helping hand to small businesses and disadvantaged communities by providing them with capital, support the operations of the White House and Federal Judiciary, provide Federal payments to the District of Columbia, operate and maintain Federal buildings, manage our federal workforce which is expected to experience tremendous attrition rates over the next ten years, assists in the administration of federal elections and protect

consumers and investors from fraudulent practices.

SBA-SMALL BUSINESS DEVELOPMENT CENTERS

The Chairman has done a good job of highlighting the bill so I will not repeat him, but I would like to mention several items of importance to me. I am particularly pleased at the \$100 million for Small Business Development Centers, an increase of nearly \$13 million. The Small Business Development Centers account is the Small Business Administration's primary method of providing management assistance to small businesses. In my state of Ohio we have over 889,000 small businesses and every dollar invested in the OHIO SBDC network leverages at least \$2.00. This program is vital to the life of small business, and I urge my colleagues to maintain this funding on the House floor today.

FINANCIAL LITERACY

I am also encouraged to see \$900,000 for Treasury's Office of Financial Education, an increase of approximately \$200,000 over the President's request. The increase is targeted toward improving the National Strategy for Financial Literacy and expanding efforts at financial literacy in elementary schools and high schools. Financial literacy is a very important life skill and I look forward to working with the Chairman to further develop this initiative and ensure maximum programmatic impact.

Additionally, the bill increases essential funding for the Internal Revenue Service to close the nearly \$300 billion tax gap, which is the difference between the amount of taxes owed and the amount actually paid. Closing the tax gap is critical as most Americans do not mind paying their fair share of taxes as long as they know others are doing the same. Furthermore, \$3.6 billion is set aside for taxpayer support services activities aimed at tax return preparation, the IRS National Taxpayer Advocate and IRS outreach and education efforts to serve taxpayers by helping them understand their tax obligations before they file. These activities have been steadily reduced in recent years and are in need of a boost.

D.C. EDUCATION

I am supportive of the funding appropriated in the bill to improve education in the District of Columbia, including \$35 million for college tuition assistance, \$41 million for school improvement, and \$10 million to improve libraries. The children in Washington D.C. have been at a disadvantage for many years, and I look forward to working with the Mayor to enhance the school system to give the children of D.C. a chance to succeed.

CONCERNS

As I mentioned previously, this bill is \$243 million below the Administration's request, and Chairman SERRANO has done a fair job in allocating these funds to the various agencies within the bill. However, I do have a couple spending and policy concerns, which I would like to outline.

ELECTION ASSISTANCE COMMISSION

Primarily, I am concerned about \$300 million added to this bill in unrequested funding for election assistance grants. The Help America Vote Act of 2002 authorized \$3.9 billion for grants to the states to improve their voting systems through 2007. This program has not been authorized to receive funding in 2008 and there still remains \$1.3 billion in appropriated dollars from the Help America Vote Act that have yet to be spent by the States.

Therefore, I believe that an additional \$300 million is unnecessary at this time especially with Presidential primaries beginning in January. This is a short turnaround to spend \$300 million while the states are sitting on \$1.3 billion. Although I am supportive of the Election Assistance Commission, I remain concerned over these unrequested and unauthorized funds.

SBA 7(A) LOAN PROGRAM

Another funding item of concern that I bring up with trepidation is subsidization of 7(a) business loans. An amendment in committee was adopted which ignores the fact that the 7(a) loan program has been operating at record levels without a subsidy appropriation since fiscal year 2005. Past practice has proven that subsidies limit access to SBA loans if demand for loans exceeds the availability of appropriations. In past years, SBA has been forced to temporarily shut the program down or impose loan limits to manage within available appropriations. Zero subsidy has proven to be effective and allowed SBA flexibility to manage the program in a user friendly way. I hope to work with the Chairman in Conference to find an agreeable solution regarding 7(a) subsidization.

POLICY RIDERS

Regarding policy, I have reservations with language attempting to limit the use of private debt collectors. Private debt collectors simply pursue the low hanging fruit that the IRS does not currently devote resources to.

Otherwise longstanding policies on abortion and Cuba are maintained in this bill. Any altering of these may bring about a Presidential veto.

Lastly, while I have a few qualms with the bill, I believe it is a bill that should be passed by the House and signed by the President, as long as controversial policy riders or substantial funding changes are not made to the bill. I thank the Chairman and ask my colleagues to vote yes with me on House passage of the first Financial Services and General Government Appropriations bill.

Mr. HOLT. Mr. Chairman, I rise today to express my support for the inclusion of \$300 million in funding for election reform programs under the Help America Vote Act (HAVA) in the Financial Services and General Government Appropriations bill for Fiscal Year 2008. Although this represents less than half of the funding that still remains unappropriated under HAVA, it will help states improve and secure their election systems before November 2008.

We have now been through our second post-HAVA general election, but both the 2004 and 2006 elections provided strong indications that there is much work yet to be done in the area of election reform in this country. Election protection groups across the country published extensive reports after each of those elections, documenting machine failures, incidents of suppression, voters being told wrongfully that they were not on the voter registration rolls, voters being denied provisional ballots, and a myriad of other problems. One of those reports documented more than 1,000 incidents of machine failure in more than 300 counties in 36 states. In addition, a report issued by the Brennan Center for Justice at New York University school of Law following an in-depth examination of all of the major voting systems used in the United States found that all such systems are vulnerable to tampering and failure.